

TO: Secretary Paige
FROM: Theresa S. Shaw, Chief Operating Officer, Federal Student Aid
RE: FSA Weekly Report
DATE: February 10, 2003

THE WEEK AHEAD

EMT Retreat: On February 10-11, COO Terri Shaw is scheduled to participate in the Executive Management Team (EMT) retreat with Secretary Paige.

Enterprise Architecture: During the week of February 10, the ED Enterprise Architecture (EA) working group plans to meet with leading candidates to provide the EA casetool. The companies are to demonstrate their current software packages. The team is moving toward final selection and expects to make that selection sometime in the next two weeks.

Investment Review Process: A meeting is expected February 11 to solidify ED's Investment Review Process. OMB, OCIO, and FSA met on February 5 to discuss improvements and streamlining the process. Final evaluation of proposed changes now are being made.

KEY NEWS

PROGRAM INTEGRITY

Status of Unprocessed Deobligations: February 17 is the deadline for stopping further flow of cash to schools participating in the Pell Grant and Campus-Based programs that have not resolved their unprocessed deobligations. As of February 5, a total of 221 schools still had unprocessed deobligations amounting to \$2.2 million. In November, over 700 schools were alerted to the impending "stop pay" action in a third and final warning letter. Staff continue to field calls and work with schools that have not addressed the issue. Following the February 17 cutoff, OCFO will restore funding to affected schools that show an effort to resolve the unsupported balances. (An "unprocessed deobligation" results when the net amount of cash a school has drawn from Treasury exceeds the amount the school has fully supported. A school "supports" cash draws by sending ED the student disbursement records within the required timeframe. The records show the program funds as being paid to eligible students or by returned as undisbursed cash.)

1st Quarter Financials: Work continues on review and development of the FY03 1st Quarter interim financial statements.

STUDENT AID OPERATIONS

Pell Grant Processing Issues: For the 2002-2003 Award Year, Pell Operations continues to work through start up issues with Common Origination and Disbursement.

The spring semester peak processing is beginning to taper off. Staff continue to work on Issue Resolution teams to resolve financial problems. A recent problem with erroneous payments to some schools in the Just-In-Time Pilot was resolved and the schools refunded the payments. Staff and contractors continue to work to prevent a reoccurrence.

Pell Shortfall Status: Pell Operations has submitted an operating request to the Budget Office to use over \$800 million from the FY03 Continuing Resolution for the 2002-2003 Award Year. The Budget Office and OMB are in the process of determining that can be done if an appropriation is not passed.

IFAP: The new *Closed Schools Guide for Schools* has been posted to the Information for Financial Aid Professionals (ifap.ed.gov <<http://ifap.ed.gov/>>) Web site. Staff have also created an “Aids to Promoting Federal Student Aid” area that brings together all of FSA’s posters, brochures, and fact sheets for promoting the availability of aid. These documents were previously posted as attachments to various other publications within IFAP, which made them difficult to locate.

e-GOVERNMENT

e-Gov/eLoans: The team met on February 4 with partner agency leads to continue project planning and preparations to move forward. Also, we met with the Labor Department to clarify roles and responsibilities for developing and implementing the eLoans Gateway as a sub-site of GovBenefits.

Students.gov Usage Up Again: Students.gov received 129,383 unique visitors in January 2003 and more than 3.3 million total hits. That’s up 33% from January 2002 and up 43% from the December 2002 level. In January, visitors spent an average of 10 minutes on the site. GSA’s eStrategy site is featuring students.gov as a “Link of Interest.”

KUDOS

Seattle Staff Honored: On February 3, Linda Burkhardt, Marianna Deeken, and Julie Arthur of our Seattle regional office were presented with the “Friend of OASFAA” Award by the Oregon Association of Student Financial Aid Administrators at its annual conference.

PUBLIC AFFAIRS

Announcement of “Clean Audit:” The COO’s office, FSA CFO, and FSA Communications are working with OS, ODS, and OPA on a possible press conference for Secretary Paige to announce that ED and FSA received unqualified audit opinions on the FY02 financial statements.

ON THE HORIZON

Draft Cohort Default Rates: The FY 2001 Draft Cohort Default Rates will be mailed to schools on February 18. Approximately half of the schools will receive their draft rates electronically.

GA Draft Default Rates: FY01 Draft Cohort Default Rates for guaranty agencies (GAs) are scheduled to be released in mid-February.

Spring Conference: FSA's 2003 Spring Conference will be held March 5-7 in Kansas City. Registration now stands at 563. The conference Web site is edeworkshop.ncspearson.com <<http://edeworkshop.ncspearson.com/>>.

EZ-Audit: On April 1, this new Web-based system for schools to electronically submit their financial statements and compliance audits goes live. The system will replace the manual process that Case Management & Oversight currently uses to receive compliance audits and financial statements from schools.

CONTACT INFORMATION

Please contact Karen Santos Freeman at 377-4001 with any questions.